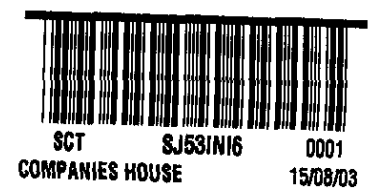


**THE DUNDEE FOOTBALL CLUB LIMITED**

**ANNUAL REPORT**

**YEAR ENDED 31 MAY 2002**

**PKF**



# THE DUNDEE FOOTBALL CLUB LIMITED

## COMPANY INFORMATION

<b>Directors</b>	J M Marr (Chairman) P Marr J H Connor
<b>Secretary</b>	A R Robertson
<b>Company Number</b>	SC4585
<b>Registered Office</b>	Dens Park Stadium Sandeman Street Dundee DD3 7JY
<b>Auditors</b>	PKF 78 Carlton Place Glasgow G5 9TH
<b>Solicitors</b>	Thorntons WS 50 Castle Street Dundee DD1 3RU
<b>Bankers</b>	Bank of Scotland 2 West Marketgait Dundee DD1 1QN

# THE DUNDEE FOOTBALL CLUB LIMITED

## CONTENTS

	<b>Page</b>
CHAIRMAN'S STATEMENT	1
DIRECTORS' REPORT	2 - 3
STATEMENT OF DIRECTORS' RESPONSIBILITIES	4
AUDITORS' REPORT	5 - 6
PROFIT AND LOSS ACCOUNT	7
BALANCE SHEET	8
CASH FLOW STATEMENT	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 20

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**CHAIRMAN'S STATEMENT**  
**YEAR ENDED 31 MAY 2002**

The season 2001/2002 was the last under the management of Ivano Bonetti, his employment and that of his associates being terminated on 3 July 2002.

The loss for the financial year and balance sheet position at the year end bear out the financial cost of pursuing the policies adopted in this year and the previous year.

Unfortunately, this substantial investment produced under achievement on the playing field. After a brief adventure against FC Sartid in the Inter-Toto Cup we suffered fairly early exits from both domestic club competitions at the hands of lower league opposition in the shape of Ross County and Partick Thistle. This under achievement on the playing side was reflected in our achieving only 9th position in the league despite the introduction of a number of overseas players on short term contracts. Our performances were not, of course, helped by a number of fairly serious injuries to certain key players.

Following the employment of Jim Duffy as manager in early July 2002, the club has enjoyed, in my opinion, a period of stability and realism. Following a steady, if unspectacular first half of the season which saw our elimination from the League Cup at the hands of Partick Thistle, the club's form after the winter break was excellent, producing a run of 14 games without defeat which resulted in our achieving 6th place in the SPL and an appearance in the Scottish Cup Final, a game which we narrowly lost but might well have won.

As a result of our successful cup run we can now look forward to an appearance in the UEFA Cup this August and hopefully the continuation of our successful league form of the second part of last season which gained us considerable praise both for our results and the quality of our performances.

Notwithstanding this playing success, the financial position of the club, and football in general, remains extremely difficult. Our debts are the result of striving for that success. Your directors and the club management will, however, endeavor to maintain the standards which we have set for ourselves.

I would like, on behalf of the board, to express my thanks to our loyal supporters, particularly for their excellent support at the Cup Final and also to the extensive band of volunteers who support and assist the club throughout the season.



**Jim Marr**  
Chairman

6<sup>th</sup> August 2003

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 MAY 2002**

The directors submit their report and the financial statements for the year ended 31 May 2002.

**Results and dividends**

The loss for the year, after taxation, amounted to **£6,635,445** (2001 - £2,504,532).

The directors are unable to recommend payment of a dividend and it is proposed to transfer the retained loss to reserves.

**Principal activity and review of the business**

The principal activity of the company during the year continued to be that of a professional football club. A full review of the business for the year can be found in the Chairman's Statement.

**Directors**

The directors who served during the year were:

J M Marr (Chairman)

P Marr

J H Connor

A R Robertson (resigned 25 June 2002)

During the year no director had any interest in the share capital of the company. The interests of the directors in Dundee FC Holdings Plc, the immediate parent undertaking, are disclosed in the directors' report of that company. The interests of J M Marr and P Marr, who are directors in P & J Taverns Limited, the ultimate holding company, are disclosed in that company's directors' report. No other director has any interest in the ultimate parent undertaking.

**Political and charitable contributions**

During the year the company made charitable donations amounting to £685 (2001: £4,753).

**Employee involvement and employment of disabled persons**

The company is an equal opportunity employer committed to positive policies in recruitment, training and career development for staff members (and potential staff members) regardless of marital status, religion, colour, race, ethnic origin or disability. The company gives full consideration to applications for employment by disabled persons where the requirement of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled it is the company policy, where practical, to provide continuing employment under similar terms and conditions and to provide training and career development. Within the limits of confidentiality, staff at all levels are kept informed of all matters which affect the progress of the company and are of interest to them as employees.

**Payment policy and practice**

It is the company's policy to ensure that the creditors are paid within the agreed limit. Where this does not happen, due to unforeseen circumstances, payment is made at the earliest possible date.

The ratio expressed in days between amounts invoiced to the company by its suppliers in the year and the amounts owed to its trade creditors at the end of the year was 107 days (2001: 75 days).

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**DIRECTORS' REPORT (continued)**  
**YEAR ENDED 31 MAY 2002**

**Auditors**

The auditors, PKF, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board

  
A.R. Robertson  
Secretary

6th August 2003

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THE DUNDEE FOOTBALL CLUB LIMITED**

We have audited the financial statements of The Dundee Football Club Limited for the year ended 31 May 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



## INDEPENDENT AUDITORS' REPORT (continued)

### Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the financial support provided by the company's creditors. The financial statements have been prepared on a going concern basis, the validity of which depends on the continuance of the support. The financial statements do not include any adjustments that would result from the discontinuance of this support. Details of the circumstances relating to this fundamental uncertainty are described in note 25. Our opinion is not qualified in this respect.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PKF**

Registered Auditors

Glasgow, UK

16 August 2003

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MAY 2002**

	Notes	2002 £	2001 £
<b>TURNOVER</b>	<b>2</b>	<b>3,472,034</b>	3,456,951
Administrative expenses		(7,777,153)	(6,423,975)
Amortisation of player registrations		(1,724,260)	(676,449)
<b>OPERATING LOSS</b>	<b>3</b>	<b>(6,029,379)</b>	(3,643,473)
(Loss)/profit on sale of player registrations		(63,831)	1,468,661
		(6,093,210)	(2,174,812)
Interest receivable and similar income		1,698	3,828
Interest payable and similar charges	<b>6</b>	(543,933)	(333,548)
<b>LOSS FOR THE FINANCIAL YEAR</b>	<b>17</b>	<b>(6,635,445)</b>	(2,504,532)

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

There was no material difference between the reported result and the result calculated on an unmodified historical cost basis.

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**BALANCE SHEET**  
**31 MAY 2002**

	Notes	2002 £	2001 £
<b>FIXED ASSETS</b>			
Intangible	7	2,113,039	611,843
Tangible	8	4,689,506	4,748,922
		<u>6,802,545</u>	<u>5,360,765</u>
<b>CURRENT ASSETS</b>			
Stocks	9	50,523	32,762
Debtors	10	806,727	1,018,931
Cash at bank and in hand		164,063	143,508
		<u>1,021,313</u>	<u>1,195,201</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(13,663,423)</u>	<u>(5,519,772)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(12,642,110)</u>	<u>(4,324,571)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(5,839,565)</u>	<u>1,036,194</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12	<u>(2,182,369)</u>	<u>(2,422,683)</u>
<b>NET LIABILITIES</b>		<u><u>(8,021,934)</u></u>	<u><u>(1,386,489)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	594,422	594,422
Share premium account		1,384,921	1,384,921
Revaluation reserve	17	1,210,815	1,231,691
Profit and loss account	17	(11,212,092)	(4,597,523)
<b>SHAREHOLDERS' FUNDS</b>	18	<u><u>(8,021,934)</u></u>	<u><u>(1,386,489)</u></u>

The financial statements were approved by the board on 6<sup>th</sup> August 2003

Signed on behalf of the board of directors

  
P. Marr

Director

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31 MAY 2002**

	2002 £	2001 £
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>		
Operating loss	(6,029,379)	(3,643,473)
Amortisation of intangible assets	1,724,260	676,449
Depreciation of tangible fixed assets	141,472	168,077
Decrease/(increase) in debtors	212,204	(672,429)
Increase in stocks	(17,761)	(3,131)
Increase in creditors	2,889,112	1,524,606
<b>Net cash outflow from operating activities</b>	<b>(1,080,092)</b>	<b>(1,949,901)</b>
<b>CASH FLOW STATEMENT (note 19)</b>		
Net cash outflow from operating activities	(1,080,092)	(1,949,901)
Returns on investments and servicing of finance	(542,235)	(329,720)
Capital expenditure	(3,241,241)	313,828
	(4,863,568)	(1,965,793)
<b>Financing</b>	<b>559,589</b>	<b>36,583</b>
<b>Decrease in cash</b>	<b>(4,303,979)</b>	<b>(1,929,210)</b>
<b>Reconciliation of net cash flow to movement in net debt (note 20)</b>		
Decrease in cash in the year	(4,303,979)	(1,929,210)
Cash inflow from increase in debt and finance leases	(559,589)	(36,583)
<b>Change in net debt resulting from cash flows</b>	<b>(4,863,568)</b>	<b>(1,965,793)</b>
Other movements:		
New finance leases	(50,615)	(16,000)
<b>Change in net debt</b>	<b>(4,914,183)</b>	<b>(1,981,793)</b>
<b>Net debt at 1 June 2001</b>	<b>(5,384,586)</b>	<b>(3,402,793)</b>
<b>Net debt at 31 May 2002</b>	<b>(10,298,769)</b>	<b>(5,384,586)</b>

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2002**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets, and in accordance with applicable accounting standards.

**(b) Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

**(c) Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings (excluding stadium)	20 years straight line
Plant and machinery	10 % straight line and 25 % reducing balance
Fixtures, fittings and equipment	10 % straight line

The football stadium is not depreciated within the financial statements. The directors are of the opinion that, having assessed the expected useful life of the asset, any annual charge for depreciation would be immaterial. The company has adopted Financial Reporting Standard No. 15 and will accordingly carry out an annual impairment review of the stadium.

Freehold land is not depreciated.

**(d) Finance and operating leases**

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

**(e) Stocks and work in progress**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

**(f) Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2002**

**1 ACCOUNTING POLICIES (continued)**

**(g) Deferred taxation**

The charge for taxation is based on the loss for the year as adjusted for tax purposes. The company has adopted Financial Reporting Standard Number 19 : Deferred Taxation during 2002 which has required a change in accounting policy. In accordance with the standard, full provision is made at current rates for taxation deferred in respect of all timing differences. Deferred tax balances are not discounted. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recoverable against taxable profits in the foreseeable future.

**(h) Player registrations**

The costs associated with the acquisition of players are capitalised and treated as intangible fixed assets. After allowing for any appropriate residual value these are amortised over the contract period. Residual values are assessed on an annual basis and any provision for impairment is made accordingly.

**(i) Grants**

Grants in respect of capital expenditure on assets which are depreciated are treated as deferred income, a proportion of which is transferred to revenue annually over the estimated useful life of the asset.

Grants in respect of capital expenditure on assets which are not depreciated are deducted from the cost of the asset. This represents a departure from the requirements of the Companies Act 1985; the financial effect of this departure is disclosed in note 8. In the opinion of the directors the accounting treatment adopted is appropriate in order to show a true and fair view on the basis that the grants are specific to the acquisition of the assets concerned and not made as a contribution to finance the general activities of the company.

Other grants of a revenue nature are credited to revenue as received.

**2 TURNOVER**

An analysis of turnover by class of business is given below:

	<b>2002</b>	2001
	£	£
Gate receipts	<b>1,158,873</b>	1,219,570
Commercial income	<b>395,837</b>	472,083
Television and radio fees	<b>1,356,682</b>	1,387,217
Retail and other income	<b>560,642</b>	378,081
Total	<b><u>3,472,034</u></b>	<u>3,456,951</u>

All turnover arose within the United Kingdom.

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2002**

**3 OPERATING LOSS**

The operating loss is stated after charging:

	<b>2002</b>	2001
	<b>£</b>	£
Amortisation of intangible assets	<b>1,724,260</b>	676,449
Depreciation of tangible fixed assets:		
- owned by the company	<b>90,380</b>	107,711
- held under finance lease or hire purchase contracts	<b>51,092</b>	60,366
Audit fees	<b>7,800</b>	7,250
Operating lease rentals:		
- plant & machinery	<b>20,141</b>	12,536
	<u><b>                    </b></u>	<u><b>                    </b></u>

**4 DIRECTORS' EMOLUMENTS AND BENEFITS**

	<b>2002</b>	2001
	<b>£</b>	£
Directors' emoluments	<b>54,176</b>	47,838
	<u><b>                    </b></u>	<u><b>                    </b></u>

No directors (2001 - none) were members of company pension schemes.

**5 STAFF COSTS**

Staff costs, including directors' emoluments, were as follows:

	<b>2002</b>	2001
	<b>£</b>	£
Wages and salaries	<b>4,777,472</b>	3,956,313
Social security costs	<b>554,840</b>	390,206
	<u><b>5,332,312</b></u>	<u><b>4,346,519</b></u>

The average monthly number of employees, including executive directors, during the year was:

	<b>No</b>	No
Full time players, staff and directors	<b>97</b>	76
Part time staff	<b>207</b>	281
	<u><b>304</b></u>	<u><b>357</b></u>

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2002**

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	2002 £	2001 £
Bank loans and overdraft	318,052	52,476
Other loan interest	98,494	116,004
Interest on late payments	105,527	106,869
Debt factoring finance charge	-	37,772
Finance charges under finance lease and hire purchase contracts	21,860	20,427
	<u>543,933</u>	<u>333,548</u>

**7 INTANGIBLE FIXED ASSETS**

	Player registrations £
<b>Cost</b>	
At 1 June 2001	1,187,934
Additions	3,274,798
Disposals	(147,000)
At 31 May 2002	<u>4,315,732</u>
<b>Amortisation</b>	
At 1 June 2001	576,091
Charge for the year	1,724,260
On disposals	(97,658)
At 31 May 2002	<u>2,202,693</u>
<b>Net book amount</b>	
At 31 May 2002	<u>2,113,039</u>
At 31 May 2001	<u>611,843</u>



**THE DUNDEE FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2002**

**8 TANGIBLE FIXED ASSETS**

	Land & buildings £	Plant & machinery £	Fixtures, fittings, tools & equipment £	Total £
<b>Cost or valuation</b>				
At 1 June 2001	4,504,143	536,421	378,737	5,419,301
Additions	894	42,751	38,411	82,056
At 31 May 2002	<u>4,505,037</u>	<u>579,172</u>	<u>417,148</u>	<u>5,501,357</u>
<b>Depreciation</b>				
At 1 June 2001	130,000	230,093	310,286	670,379
Charge for year	65,000	56,412	20,060	141,472
At 31 May 2002	<u>195,000</u>	<u>286,505</u>	<u>330,346</u>	<u>811,851</u>
<b>Net book amount</b>				
At 31 May 2002	<u>4,310,037</u>	<u>292,667</u>	<u>86,802</u>	<u>4,689,506</u>
At 31 May 2001	<u>4,374,143</u>	<u>306,328</u>	<u>68,451</u>	<u>4,748,922</u>

Freehold land and buildings are net of grants received of £1,334,371 (2001: £1,334,371).

Included within land and buildings above is land valued at £0.5m (2001: £0.5m).

The net book amounts of assets held under finance lease or hire purchase contracts included above were:

	2002 £	2001 £
Plant & machinery	167,338	167,748
Fixtures, fittings, tools and equipment	71,677	67,247
	<u>239,015</u>	<u>234,995</u>

In August 1999 the land and buildings at Dens Park Stadium were valued at £4.45million by Dunlop Heywood, Consultant Surveyors on a Depreciated Replacement Cost basis. The directors are not aware of any material change in value since this valuation was carried out.

On the historical cost basis, land and buildings would have been included as follows:

	2002 £	2001 £
Cost	4,691,460	4,690,566
Cumulative depreciation	(195,000)	(130,000)
Net book amount	<u>4,496,460</u>	<u>4,560,566</u>

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2002**

**9 STOCKS**

	2002 £	2001 £
Goods for resale	50,523	32,762

**10 DEBTORS**

	2002 £	2001 £
<b>Due within one year</b>		
Trade debtors	726,670	805,304
Other debtors	80,057	1,127
	<u>806,727</u>	<u>806,431</u>
<b>Due after one year</b>		
Trade debtors	-	212,500
	<u>806,727</u>	<u>1,018,931</u>

**11 CREDITORS**

	2002 £	2001 £
<b>Amounts falling due within one year</b>		
Bank overdraft	6,517,078	2,192,543
Trade creditors	2,778,038	1,079,206
Amounts owed to group undertakings	343,649	349,993
Amounts owed to undertakings in which the company has a participating interest	279,693	234,490
Other tax and social security	1,765,705	806,975
Net obligations under finance lease and hire purchase contracts (note 14)	78,566	67,817
Other loans (note 13)	1,294,665	448,553
Accruals and deferred income	606,029	340,195
	<u>13,663,423</u>	<u>5,519,772</u>

The bank borrowings and other loans are secured by standard securities over the freehold land and buildings of Dens Park Stadium and by a bond and floating charge for all monies due over the whole property and undertakings of the company. A guarantee from P & J Taverns Limited is also in place.

The company's bankers hold personal guarantees from P Marr and J Marr, directors, as security for the bank overdraft.

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2002**

**12 CREDITORS**

	2002 £	2001 £
<b>Amounts falling due after more than one year</b>		
Amounts owed to group undertakings	1,238,000	1,240,000
Net obligations under finance lease and hire purchase contracts (note 14)	71,679	108,937
Other loans (note 13)	872,690	1,073,746
	<u>2,182,369</u>	<u>2,422,683</u>

**13 LOANS**

Loans fall due for payment as follows:

	2002 £	2001 £
<b>Other loans</b>		
Within one year	1,294,665	448,553
Between one and two years	218,571	201,061
Between two and five years	654,119	641,584
After more than five years	-	231,101
	<u>2,167,355</u>	<u>1,522,299</u>

Included within other loans is a loan of £980,407 (2001 - £1,123,958) from Lombard North Central plc. This loan is repayable by 28 consecutive quarterly payments of £60,511 which includes interest at a rate of 6.95%.

Also included are loans of £346,000 (2001 - £150,000) from Peter Marr, a director of the company, £nil (2001 - £75,000) from J Miller, a former club sponsor, £nil (2001 - £40,000) from M Craig, a former employee of the company and £747,603 (2001 - £nil) from I Bonetti, a former employee of the company.

**14 SECURED CREDITORS**

Net obligations under finance lease and hire purchase agreements fall due as follows:

	2002 £	2001 £
Within one year	78,566	67,817
Between one and five years	71,679	108,937
	<u>150,245</u>	<u>176,754</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2002**

**15 DEFERRED TAX ASSET**

The company has a potential deferred tax asset of £3,331,177. From the forecasts prepared by the company, it appears unlikely that the company will return to taxable profits within the short term and as such, the deferred tax asset has not been recognised in the accounts in line with applicable accounting standards.

**16 SHARE CAPITAL**

	Authorised £	Allotted, called up and fully paid No	£
At 1 June 2001 and 31 May 2002 Ordinary shares of 10p each	1,000,000	5,944,220	594,422
	<u>          </u>	<u>          </u>	<u>          </u>

**17 RESERVES**

<b>Revaluation reserve</b>	£
At 1 June 2001	1,231,691
Released to profit and loss account	(20,876)
At 31 May 2002	<u>1,210,815</u>
 <b>Profit and loss account</b>	 £
At 1 June 2001	(4,597,523)
Loss for the year	(6,635,445)
Transferred from revaluation reserve	20,876
At 31 May 2002	<u>(11,212,092)</u>

**18 SHAREHOLDERS' FUNDS**

	2002 £	2001 £
Shareholders' funds at 1 June 2001	(1,386,489)	1,118,043
Loss for the year	(6,635,445)	(2,504,532)
Shareholders' funds at 31 May 2002	<u>(8,021,934)</u>	<u>(1,386,489)</u>

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2002**

**19 GROSS CASH FLOWS**

	2002 £	2001 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,698	3,828
Interest paid	(522,073)	(313,121)
Interest element of finance lease rentals	(21,860)	(20,427)
	<u>(542,235)</u>	<u>(329,720)</u>
 <b>Capital expenditure</b>		
Payments to acquire intangible fixed assets	(3,274,798)	(1,114,260)
Payments to acquire tangible fixed assets	(31,443)	(57,912)
Receipts from sales of intangible fixed assets	65,000	1,486,000
	<u>(3,241,241)</u>	<u>313,828</u>
 <b>Financing</b>		
New loans	1,425,103	292,000
Loans repaid	(788,392)	(187,175)
Capital element of finance lease rentals	(77,122)	(68,242)
	<u>559,589</u>	<u>36,583</u>

**20 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 June 2001 £	Cash flows £	Other changes £	At 31 May 2002 £
Cash at bank and in hand	143,507	20,556	-	164,063
Overdrafts	(2,192,543)	(4,324,535)	-	(6,517,078)
		<u>(4,303,979)</u>		
Debt due within 1 year	(845,050)	788,392	(1,628,161)	(1,684,819)
Debt due after 1 year	(2,313,746)	(1,425,105)	1,628,161	(2,110,690)
Finance leases and HP	(176,754)	77,124	(50,615)	(150,245)
	<u>(5,384,586)</u>	<u>(4,863,568)</u>	<u>(50,615)</u>	<u>(10,298,769)</u>
Total	<u>(5,384,586)</u>	<u>(4,863,568)</u>	<u>(50,615)</u>	<u>(10,298,769)</u>

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2002**

**21 OTHER COMMITMENTS**

At 31 May 2002 the company had annual commitments under operating leases as follows:

	<b>Plant and machinery</b>	
	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Between one and five years	<b>27,201</b>	<b>34,936</b>

**22 CONTINGENT LIABILITIES**

The company has received grants amounting to £1,334,371 in respect of freehold land and buildings. The conditions of the award of these grants stipulate that the grants would have to be repaid in full by the company if there is any change of purpose or ownership of the property during the project or within 20 years of its completion. If any distributable annual profits are made by the company, an appropriate share must be repaid to the funding bodies until the grants are repaid in full.

**23 TRANSACTIONS WITH RELATED PARTIES**

During the year the company received loans from Peter Marr, a director of the company. Further details relating to this loan are disclosed in note 13.

Included in creditors at 31 May 2002 are loans from P & J Taverns Limited ( the ultimate parent undertaking) and Camperdown Construction Limited (an undertaking in which Peter Marr has a controlling interest). The balances at the year end are £1,343,649 (2001: £1,349,993) and £46,506 (2001: £46,506) respectively. Interest of £14,384 (2001: £37,786) has been charged on the outstanding balances. At 31 May 2002 the immediate parent undertaking was Dundee FC Holdings Plc and at that date there was a balance due to that company of £238,000 (2001: £240,000).

During the year the company made purchases from Camperdown Construction Limited amounting to £21,770 (2001: £49,666). At the year end the total trading balance due to that company was £172,089 (2001: £149,725).

Also during the year the company made purchases of £23,232 (2001:£67,309) from The Ballinard House Hotel, a business controlled by J Marr. At the year end £61,097 (2001:£38,259) was due to this undertaking.

The company also made purchases totalling £4,622 (2001:£21,137) from Marstar Builders Limited, a company controlled by J Marr. At the year end £3,419 (2001:£4,254) was due to this company. This balance is included in trade creditors.

The company also made purchases totalling £118,818 (2001:£102,644) from Global Travel, a business controlled by Peter Marr. At the balance sheet date £40,273 (2001:£42,198) was due to this creditor and is included within trade creditors.

Also included is an amount of £5,693 (2001: £nil) representing interest charged on a loan from Michael Craig, a former employee of the company.

**THE DUNDEE FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2002**

**24 POST BALANCE SHEET EVENTS**

Since the balance sheet date, the company purchased further player registrations at a cost of £226,000.

**25 GOING CONCERN**

At the balance sheet date the company had net current liabilities of £12,642,110 (2001 - £4,324,571) and net liabilities of £8,021,934 (2001 - £1,386,489). Since the balance sheet date, the company has continued to incur substantial operating losses which have been financed by an increase in total indebtedness. At the date of signing these financial statements, the company's indebtedness to its bankers is in excess of the agreed facilities. The accounts have been drawn up on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption is based on the continuity of financial support by the company's creditors and bankers. The financial statements do not include any adjustments that would result from the withdrawal of this support.

The directors believe that it is an appropriate assumption for the financial statements to be prepared on the going concern basis.

**26 PARENT UNDERTAKINGS AND CONTROLLING PARTIES**

The immediate parent undertaking of the company is Dundee FC Holdings Plc and the ultimate parent undertaking is P & J Taverns Limited; both of these companies are registered in Scotland. Consolidated accounts for P & J Taverns Limited are available from The Secretary, P & J Taverns Limited, Bellsizes House, Bellsizes Road, Broughty Ferry, Dundee, DD5 1NF. Consolidated accounts for Dundee FC Holdings Plc are available from The Secretary, Dundee FC Holdings Plc, Dens Park Stadium, Sandeman Street, Dundee DD3 7JY. The controlling parties are J M Marr and P Marr.